

**REMARKS**

Claims 1-5 and 7-28 are pending in this application. Claim 6 has been canceled without prejudice or disclaimer. Claims 1, 5, 7-9, 13, 15-17, 21, and 23-24 are amended. By this Amendment, new claims 25-28 are added. Support for new claims 25-28 can be found at, for example, originally presented claims, and paragraph [0022]. Thus, no new matter is added. Claims 1-5, and 7-28 are now pending.

In the Office Action<sup>1</sup>, the Examiner took the following actions:

rejected claims 1, 7, 8, 9, 16, 17, 23, and 24 under 35 U.S.C. § 112 second paragraph as indefinite;

rejected claims 1-5 under 35 U.S.C. § 101 as directed to non-statutory subject matter; and

rejected claims 1-24 under 35 U.S.C. § 103(a) as being obvious over *Koppes et al.* (U.S. Published Application No. 2004/0215493) in view of *O'Shaughnessy* (U.S. Patent No. 7,177,831).

**I. Information Disclosure Statement**

Applicant appreciates the Examiner's consideration of an Information Disclosure Statement and PTO Form/SB/08 filed August 4, 2005. However, the Examiner did not initial a reference in the Non-Patent Literature Documents section of the IDS. A copy of the PTO Form/SB/08 that was returned with the Office Action dated December 20, 2007 is submitted herewith. Applicant respectfully requests the Examiner to consider the

---

<sup>1</sup> The Office Action contains a number of statements reflecting characterizations of the related art and the claims. regardless of whether any such statement is identified herein, applicant declines to automatically subscribe to any statement or characterization in the Office Action.

submitted referenced and indicate consideration of the listed Non-Patent Literature Document by making appropriate notation of same on the PTO Form/SB/08.

**II. Rejections Under 35 U.S.C. §112**

The Office Action rejected claims 1, 9 and 17 as being indefinite. Applicant has amended claims 1, 9, and 17 according to the Examiner's stated interpretation.

The Office Action further rejects claims 7, 8, 15, 16, 23, 24 as not further limiting. The Examiner states "the phrase wherein the impairment price is the market price is not a limitation to claim 6 in as much as calculating impairment price in claim 6, 14, and 22 is not necessary for validation." (See Office Action page 2 paragraph 4.) Applicant respectfully traverses the rejection. As a preliminary matter, Applicant has not stated validation is necessary in the claims. There is no element that requires validation. Applicant has canceled claim 6 and amended claims 7-8, 15-16, and 23-24 to further clarify the invention. Applicant asserts that claims 7-8, 15-16, and 23-24 do further limit the respective independent claims by further equating the impairment price to the market price. The Examiner is invited to read, for example, paragraph 21 of Applicant's specification, as well as paragraphs 77-74 for Applicant's definition of terms.

For the foregoing reasons, Applicant respectfully requests the Examiner withdraw the rejections under 35 U.S.C. 112 second paragraph.

**III. Rejections Under 35 U.S.C. §101**

The Examiner rejected claims 1-5 under 35 U.S.C. §101 as drawn to non-statutory subject matter. Applicant respectfully traverses this rejection.

The Examiner stated “determining a book value covers “every possible way of determining this value” and therefore covers every substantial practical application of an abstract idea, natural phenomenon or law of nature.” (Office Action at page 4 paragraph 8). Applicant respectfully asserts that determining a book value does not cover every practical application of an abstract idea, natural phenomenon, or law of nature. Determining a book value does not constitute determining a value of an object for a listing in a book. Rather, such a process determines a value of an object from a listing in an accounting system such as a book. See for example, paragraph 11 of Applicant’s specification. Since the method is acquiring a book value rather than calculating a book value, it is not an abstract idea, natural phenomenon, or a law of nature. Therefore, Applicant respectfully requests this rejection be withdrawn.

The Examiner has further rejected claims 1-5 as allegedly computer-related nonstatutory subject matter. Applicant has amended claim 1 to further clarify the computerized aspects of the invention. As such, Applicant respectfully requests the Examiner withdraw the rejection.

The Examiner further rejected claims 1-5 as drawn to a mathematical algorithm. The Examiner suggests claim 1 merely manipulates numbers, abstract concepts or ideas, or signals. Applicant respectfully traverses this rejection. Claim 1 is not solely drawn to mathematical operations. An action is automatically performed based on a result of various calculations and comparisons. This action, such as displaying a calculated impairment price; sending a message to a person; sending a list containing proposals for action to a person; presenting advice for a degree to which the conditions are satisfied on a display; and performing a value adjustment for displaying each object

in the accounting system, produces a concrete and tangible result for the purposes of 35 U.S.C. 101. Therefore, Applicant respectfully requests the rejection of claims 1-5 be withdrawn.

#### **IV. Rejections Under 35 U.S.C. §103**

The Examiner has rejected claims 1-24 as being unpatentable over *Koppes et al.* (U.S. Published Application No. 2004/0215493) in view of *O'Shaughnessy* (U.S. Patent No. 7,177,831). Applicant respectfully traverses the rejection.

The key to supporting any rejection under 35 U.S.C. § 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. See M.P.E.P. § 2142, 8<sup>th</sup> Ed., Rev. 6 (Sept. 2007). Such an analysis should be made explicit and cannot be premised upon mere conclusory statements. See *id.* “A conclusion of obviousness requires that the reference(s) relied upon be enabling in that it put the public in possession of the claimed invention.” M.P.E.P. § 2154. Furthermore, “[t]he mere fact that references can be combined or modified does not render the resultant combination obvious unless the results would have been predictable to one of ordinary skill in the art” at the time the invention was made. M.P.E.P. § 2143.01(III), internal citation omitted. Moreover, “[i]n determining the differences between the prior art and the claims, the question under 35 U.S.C. § 103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious.” M.P.E.P. §2141.02(I), internal citations omitted (emphasis in original).

"[T]he framework for the objective analysis for determining obviousness under 35 U.S.C. § 103 is stated in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966). . . . The factual inquiries . . . [include determining the scope and content of the prior art and] . . . [a]scertaining the differences between the claimed invention and the prior art." M.P.E.P. § 2141(II). "Office personnel must explain why the difference(s) between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art." M.P.E.P. § 2141(III).

Claim 1 recites, in part, "automatically forming an intermediate variable from the book value and the market value; automatically testing the intermediate variable to determine whether it satisfies one or more presettable conditions; and automatically performing one or more actions depending upon the manner or degree to which one or more of the presettable conditions are satisfied." The Examiner admitted *Koppes* does not disclose automatically testing the intermediate variable to determine whether it satisfies one or more presettable conditions and automatically performing one or more actions depending upon the manner or degree to which one or more of the presettable conditions are satisfied. Office Action at page 6. The Examiner stated "*Koppes* does not explicitly describe an intermediate value but one is inherently present in the system in that tracking the book value and the market value moving together." Office Action at page 6

The test for inherency is provided in MPEP 2112 section IV. "To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established

by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949. The Examiner has a burden to show allegedly inherent features are **necessarily** present in a prior art reference.

Applicant agrees *Koppes* does not disclose automatically testing the intermediate variable to determine how the variable satisfies a predetermined condition. Applicant disagrees, however, with the Examiner's assertion that an intermediate value is inherently present in the system. Assuming, *arguendo*, there exists an intermediate value between a book value and a market value moving together, there is no disclosure in *Koppes*, inherent or otherwise, of "automatically **forming** an intermediate variable from the book value and the market value," as recited in claim 1. The existence of an intermediate value is not equivalent to forming the value as a variable to be tested. Further, the *Koppes* system cannot test an intermediate value variable because the *Koppes* system has never formed that variable. That is to say, there is no teaching, suggestion, or motivation that the *Koppes* system **must necessarily form** an intermediate value.

To remedy the deficiencies of *Koppes*, the Examiner looks to *O'Shaugnessey*. The Examiner admits *O'Shaugnessey* does not disclose "testing the intermediate variable to determine whether it satisfies one or more presettable conditions" but suggests an intermediate value test is inherently present in the system. Office Action at page 7. In particular, the Examiner states "[testing the intermediate value] is inherently present in the system because recommendations are made based on specific portfolio strategy." Office action at page 7. The Examiner alleges that a "specific portfolio

strategy is a strategy which specifies Applicant's manner or degree to which one or more of the presettable conditions are satisfied." Id.

O'Shaugnessey does not disclose or suggest "automatically forming an intermediate variable" as recited in claim 1. Rather O'Shaugnessey teaches that a portfolio management program makes recommendations to a trading entity. As such, O'Shaugnessey cannot remedy the deficiencies of *Koppes*.

Further, the Examiner alleges O'Shaugnessey inherently tests for an intermediate value because recommendations are made based on specific portfolio strategy. However, Applicant asserts a specific portfolio strategy does not, as a necessity, require a test for an intermediate value. The Examiner has not provided any evidence for the assertion that O'Shaugnessey discloses such an inherent test. Rather, according to O'Shaugnessey, a portfolio management program makes recommendations to a trading entity for a specific portfolio strategy. Thus, the Examiner has not demonstrated that recommendations for a specific portfolio strategy **must necessarily** automatically test an intermediate value. As such, an automatic test of an intermediate value is not inherent. Thus, *Koppes* and O'Shaugnessey do not teach or suggest "automatically forming an intermediate variable as recited in claim 1.

In view of these deficiencies of the cited references, the Office Action has neither properly determined the scope and content of the prior art nor properly ascertained the differences between the prior art and the claimed invention. Accordingly, the Office Action has not clearly articulated a reason why claim 1 would have been obvious to one of ordinary skill in view of the prior art. Therefore, a *prima facie* case of obviousness has not been established for claim 1.

As set forth above, *Koppes* and *O'Shaugnessey* do not teach or suggest "automatically forming an intermediate variable," as recited in claim 1. Claims 9 and 17 contain similar elements as those discussed in connection with claim 1. Applicant asserts that these claims are allowable for at least the same reasons as claim 1. Additionally, dependent claims 2-5, 7, 8, 10-16, and 18-24 are allowable for at least the same reasons as the independent claims from which these claims depend. Therefore, Applicant respectfully requests the Examiner withdraw the rejections to claims 1-5 and 7-28 under 35 U.S.C. 103 and allow the claims.

Moreover, there is no motivation to combine *Koppes* and *O'Shaugnessey*. The Examiner states "it would be obvious to a person with ordinary skill in the art at the time of *Koppes* invention to include provide automated investment allocation advice, selection of investment securities etc. as taught by *O'Shaughnessy* because determining market values in relation to book values and give an investor the understanding of the values and risks of different investments." (See Office Action, for example, page 7 paragraph 13.)

However, MPEP 2143 Section V states: "If proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).

*Koppes*' system is directed to values of life insurance policies rather than an individual user's investment portfolio. Life insurance policies are not part of an investor's portfolio. *Koppes* is intended to assist a life insurance company invest premiums paid by individuals. *O'Shaugnessey* is intended to assist individuals select

and purchase stocks through a global computer network. One of ordinary skill in the art would not recognize life insurance policies to be part of a portfolio. The individual investor has no need of automated investment allocation advice because the insurance company is investing revenue obtained from customer premiums. Whether the insurance company makes money on their investment or not, has no bearing on how much life insurance an individual will receive. Therefore, an ordinarily skilled artisan would not be motivated to modify *Koppes* with automated investment allocation advice because the customer is not actually investing any money in the insurance company. He is only paying a premium. Since the investor is not investing money in a life insurance plan, he has no need to understand the values and risks of different investments.

In view of the above, the proposed modification of *Koppes* and *O'Shaughnessey* would render both inventions unsatisfactory for their intended purpose. Accordingly there is no motivation to combine the cited references and thus, the rejection under 35 U.S.C. 103(a) is improper for at least these additional reasons.

**V. Conclusion**

In view of the foregoing, Applicant respectfully requests reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,  
GARRETT & DUNNER, L.L.P.

Dated: February 25, 2008

By: Anthony J. Consandi  
Reg. No. 36,532  
C. Gregory Gramenopoulos  
for Reg. No. 36,532

Attachment: August 4, 2005 Information Disclosure Statement  
and PTO Form/SB/08